

Message Text

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UNCLAS STOCKHOLM 0080

FOR SECRETARY OF COMMERCE KREPS FROM THE AMBASSADOR

E.O. 11652: N/A
TAGS: BEXP, EGEN, SW
SUBJ: CLOSING OF SCANDINAVIAN TRADE CENTER

REF: 77 STOCKHOLM 4525, 77 STATE 261174

1. I AM SURE YOU ARE AWARE OF THE DISCUSSION THAT HAS GONE ON FOR SEVERAL MONTHS ABOUT THE PROPOSED CLOSING OF THE SCANDINAVIAN TRADE CENTER HERE IN STOCKHOLM. SINCE THE CONTINUING THREAT OF CLOSURE IS STARTING TO HAVE DELETERIOUS EFFECTS AND BECAUSE OF A POSITIVE REACTION TOWARD THE CENTER BY MEMBERS OF THE CONGRESSIONAL DELEGATION WHICH VISITED HERE JANUARY 5, I WISH TO ADVANCE A PROPOSAL OF MY OWN THAT MAY HELP RESOLVE THE SITUATION.

2. MY STARTING POINT IS YOUR AND YOUR DEPARTMENT'S WISH TO MAKE THE BEST USE OF THE TAXPAYERS'S DOLLAR, AN ATTITUDE WITH WHICH I AM WHOLEHEARTEDLY IN SYMPATHY. HOWEVER, MY OWN STUDY OF THE TRADE CENTER'S COST-EFFECTIVENESS SINCE MY ARRIVAL IN SEPTEMBER MAKES ME AT LEAST QUESTION SERIOUSLY THE PROPOSAL TO CLOSE THE CENTER AT A TIME WHEN IT SEEMS TO BE FUNCTIONING PRODUCTIVELY AND AT WHAT SEEMS TO ME A FAIRLY LOW COST. FOR EXAMPLE, IN 1977 COMPARED TO 1976, THE NUMBER OF TRADE CENTER VISITORS MORE THAN DOUBLED, SALES LEADS MORE THAN QUADRUPLD, FLOOR
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SALES INCREASED BY OVER 90 PERCENT AND PROJECTED ADDITIONAL SALES OVER THE NEXT 12 MONTHS TOTALY NEARLY 80 MILLION DOLLARS OR A 38 PERCENT INCREASE. THE ACTIVITIES OF THE INTERNATIONAL MARKETING CENTERS IN PARIS AND COLOGNE, WHICH COVER FRANCE, BENELUX, GERMANY AND AUSTRIA, CANNOT, IN MY OPINION, BE AN ADEQUATE SUBSTITUTE FOR AN ESTABLISHED CENTER IN SCANDINAVIA ITSELF.

3. MOREOVER, THE VISIT LAST WEEK OF THE CONGRESSIONAL DELEGATION FROM THE HOUSE APPROPRIATIONS COMMITTEE, LED BY NEIL SMITH, HAS TENDED TO CONFIRM MY INCLINATION TO QUESTION THE CLOSURE DECISION: OUR IMPRESSION WAS THAT MEMBERS OF THE DELEGATION WERE NOT ABSOLUTELY SURE THAT CLOSING THE CENTER WAS WISE. OF COURSE I CANNOT SPEAK FOR THE DELEGATION, BUT MY PERCEPTION OF THEIR ATTITUDE HELPED LEAD ME TO THE PROPOSAL I WISH TO MAKE. I WAS ALSO INFLUENCED BY THE NEWS RECEIVED THIS PAST WEEKEND THAT THE STOCKHOLM POST WILL BE INSPECTED IN MARCH.

4. MY PROPOSAL IS SIMPLY THAT THE DEPARTMENT OF COMMERCE POSTPONE FOR 12 MONTHS THE DECISION WHETHER TO CLOSE THE TRADE CENTER. SINCE I AM NOT CONVINCED THAT CLOSURE IS THE BEST DECISION FOR OUR OVERALLY ECONOMIC INTEREST, AND SINCE I STILL FEEL IT WOULD BE UNWISE TO MAKE A HASTY DECISION (RECALLING THAT NOTHING WAS SAID TO ME AT COMMERCE ABOUT CLOSURE WHEN I WAS BRIEFED IN WASHINGTON IN SEPTEMBER), I AM LED TO THE CONCLUSION THAT A SET PERIOD OF REPRIEVE IN WHICH TO STUDY THE QUESTION OF CLOSURE WOULD BE THE BEST ANSWER. THIS WOULD GIVE YOU A CHANCE TO EVALUATE THE DECISION CAREFULLY, WITH THE BENEFIT OF THE INSPECTORS' REPORT FROM THEIR VISIT IN MARCH.

5. I HAVE BEEN TOLD INFORMALLY THAT THE DECISION TO CLOSE IS ALREADY TAKEN. I CANNOT BELIEVE IT IS TOO LATE TO SUSPEND THE DECISION FOR A STATED PERIOD. AFTER MEETING WITH THE CONGRESS-
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IONAL DELEGATION AND THINKING THE MATTER OVER VERY CAREFULLY, I BELIEVE THAT THIS WOULD BE BEST FOR ALL CONCERNED. I SHOULD APPRECIATE YOUR AND FRANK WEIL'S EARNEST CONSIDERATION OF THIS SUGGESTION. MOST APPRECIATIVELY YOURS.
KENNEDY-MINOTT

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